

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1057-02
Bill No.: HB 436
Subject: Agriculture and Animals; Taxation and Revenue
Type: Original
Date: March 31, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund*	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)

*Not expected to exceed \$100,000 annually.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Various State Funds	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on Other State Funds*	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)

*Not expected to exceed \$100,000 annually.

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government*	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)

*Not expected to exceed \$100,000 annually.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of Administration, Division of Budget and Planning** and the **Department of Conservation** assume this proposal would not fiscally impact their agencies.

Officials of the **Department of Agriculture** assume adding American bison and buffalo to the definition of livestock in Sections 265.300 - Meat Inspection, 267.565 - Livestock Disease Control and Eradication Law, 277 - MO Livestock Marketing Law or 277.200 - Livestock Packers will have no impact on the Division of Animal Health as they are currently handled as livestock under these sections. Current regulations may require review to specifically address American bison and buffalo.

Officials of the **State Tax Commission (TAX)** assume adding American bison or buffalo to the definition of "livestock" should have no impact on personal property assessments. The livestock reported to the TAX by county clerks should already include American bison and buffalo even though they are not specifically listed in the statute. There is a line on the reporting form for "All Other Livestock" that is used for this type of animal. Therefore, this proposal would not fiscally impact TAX.

ASSUMPTION (continued)

Officials of the **Department of Revenue** state this legislation, as worded, would include American bison and buffalo in the definition of livestock. No anticipated impact is expected to the Division of Taxation.

According to the Missouri Bison Association's website there are over 200,000 head of bison in the United States today. No specific number was given for private herds in Missouri. However, the website listed only nine buyers and sellers of buffalo and bison in Missouri. Therefore, **Oversight** assumes the number of American buffalo and bison raised as livestock in Missouri is unknown and will show the impact of this legislation as an unknown loss expected to be less than \$100,000 to all affected funds.

This legislation could decrease Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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GENERAL REVENUE FUND

Loss - General Revenue

Sales tax exemption for bison/buffalo	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUNDS***

	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
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*Not expected to exceed \$100,000 annually.

VARIOUS STATE FUNDS

Loss - Various State Funds

Sales tax exemption for bison/buffalo	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
VARIOUS STATE FUNDS***

	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
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*Not expected to exceed \$100,000 annually.

FISCAL IMPACT - Local Government

FY 2004
(10 Mo.)

FY 2005

FY 2006

Loss - Cities/Counties

Sales tax exemption for bison/buffalo

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON
LOCAL FUNDS***

(UNKNOWN)

(UNKNOWN)

(UNKNOWN)

*Not expected to exceed \$100,000
annually.

FISCAL IMPACT - Small Business

Small businesses that sell feed consumed by buffalo or bison would no longer be required to charge sales tax as a result of this proposal.

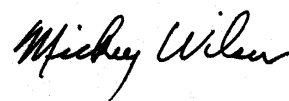
DESCRIPTION

For purposes of any rule or regulation, board or commission, this bill requires the American bison or buffalo to be treated and classified as livestock.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Office of Administration
Division of Budget and Planning
Department of Agriculture



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